

CITY OF PORT TOWNSEND
Jefferson County, Washington
January 1, 1992 Through December 31, 1993

Schedule Of Findings

1. The City Should Improve Grant Administrative Controls And Documentation Of Grant Expenditures

The city received grants from the Washington State Department of Ecology for secondary wastewater treatment plant construction and a biosolids/septage composting facility in 1990 and 1992, respectively.

These state grants are subject to General Terms and Conditions Pertaining to Grant Agreements of the Department of Ecology.

- a. The city received reimbursements for salaries charged to both the construction and composting facilities grants of \$57,485 and \$10,671, respectively. We were not able to determine the number of hours or the rate per hour for the salaries reimbursed by the Department of Ecology.

The General Terms and Conditions of the Grant Agreements states in part:

All grant records shall be kept in a manner which provides an audit trail for all expenditures.

- b. The requests for reimbursements from the Department of Ecology were not timely. There were instances when the request for the reimbursements were made for three to six months worth of expenditures, costing the city lost interest revenue estimated at \$47,156.

The General Terms and Conditions of the Grant Agreements states in part:

Payment shall be made on a reimbursable basis at least quarterly and no more often than once per month.

Management did not allocate sufficient resources to ensure timely requests for reimbursements and complete documentation for eligible expenditures.

- c. The city does not have a drug-free workplace policy, as required by the Special Terms and Conditions of the Composting Grant Agreement.

Management drafted a drug-free workplace policy, but failed to approve and implement the policy.

We recommend the city:

- a. Reimburse the Department of Ecology \$68,156 for salaries reimbursed but not

documented.

- b. Request reimbursements for eligible expenditures that are properly documented in a timely manner.
- c. Implement a drug-free workplace policy.